Arrest of SEBI Officials

S31S. SHRI CHATURANAN MBHRA: SHRI OURUDAS DAS GUPTA

Win the Minister of FINANCE b« ateased to state:

(•) whether it it a fact that three officials of die Securities tod ffrriianto Board-of India (SEBI) were arrested for knowingly approving the vetting of the ~~ptutpcetM~~ and otter documents of MS Shoes East Limited; and

(b) if so, the details of the chargee against them and further action being tafcea tbereca?

THE MINISTER OF "STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) No, Sir. No official of the Securities aad Exchange Board of India has been arrested in connection with the M.S. Shoes issue.

(b) Does not arise.

मध्य प्रदेश में आयकर कार्यालय का भवन

5316. श्री रामजी: क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या मध्य प्रदेश के सिवनी में आयकर कार्यालय का अपना भवन है;

(ख) यदि नहीं, तो इस दिशा में अब तक क्या प्रयास किए गए हैं; और

(ग) क्या इस आयकर भवन और इसके कर्मचारियों के लिए निकट भविष्य में आवासीय भवन और आवासीय क्वार्टरों का निर्माण करने की कोई योजना है; यदि नहीं, तो इसके क्या कारण हैं?

वित्त मंत्रालय में राज्य मंत्री (श्री एम.वी. चन्द्रशेखर मूर्ति): (क) जी, नहीं।

(ख) कार्यालय और आवासीय भवनों के निर्माण के लिए उपयुक्त भूखंड का पता लगाया जा रहा है।

(ग) जी, हां।

Public Issue of Western India Securities Lfcnfced

S317. SHR1MATI MALTI SHARMA: Will the Minister of. FINANCE be pleased to state:

(a) whether it is a fact that MA Western India Securities Limited have collected a huge amount of money through its public issue of ihate in July, 1994;

(b) if so, whether the omnpaay baa not refunded the money to a huge number of unsuccessful applicants who have not. been issued shares of the company and investors are running from piOar to peaty to get their money back;

(c) if so, bow many oompUiats have • been received by the company as wcl at SEBI in the matter; aad

(d) what steps Government propose to take to get the money refunded to the investors at the earliest?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) and (b) Western India Securities Ltd.* launched its public issue of Rs. 4.80 -crores in November, 1994. The issue was oversubscribed by 9.73 times and received a total amount of Rs. 23 crores. The company has refunded the exoess application money and has completed the despatch of refund orders on 6.2.1995.

(c) and (d) Securities and Exchange Board of India has received 41 complaints against the company. SEBI has taken up these oampiainu with the company.

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331S. SHRI HIPHEI: WB the *i* Minister of FINANCE be pleated to state:

(a) whether Government's attention has been drown to certain reports published la the first week of March, 1995 regarding flourithinrnt of narcotic trade in Imphal;

(b) if so, the details thereof;

(c) whether such situation of nourishment of narcotics is likely to affect the whole of North-Eastern region of the country;

(d) whether Government propose to take some steps amenity to check further

spread of the situation; and

(e) if so, details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) to (c) Because of proximity to Golden Triangle, the north eastern region of the country is specially vulnerable to drug ' trafficking.

(d) and (e) A comprehensive bilateral agreement has beta catered into with the Government of Union of Mvanmar for preventing iUscrt traffic in narcotic drags. Regular meetings at Secretary level and field level meetings between enforcement agencies of the two countries are taking place. Contact points for quicker communication of operational information have been'designated. Under the North-East council, nodal officers have been designated by State Governments to coordinate enforcement • efforts. The Manipur Polic Department has created a dedicated cell for narcotics.

Instructions have been issued to all the enforcement agencies to maintain utmost vigil and step up enforcement efforts under the stringent provisions contained* in NDPS Act. Training is being imparted to officers to improve their effectiveness.

Implication of T.D.S. Scheme

5319. SHRIMATi MALTI SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether attention of Government has been drawn to the news item captioned "Ad agencies up in arms against TDS Scheme** which appeared in "The Hindustan Times" dated the 21st March, 1995; if so, the. details of the TDS Scheme and die implications thereof and . also Government's reaction thereof; and

(b) whether Government would consi der withdrawing TDS Scheme under the Income Tax Act, if so, by when and if not, the limitation thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) Yes, Sir. The Government ii aware of the said newt hem. In the Finance Bill, 1995, it ha* been *Utttrslia* proposed that (i) tax shall be deducted at source under section 194C at the rate of 2% (1% in the case of a sub-contractor) from payment made to a contractor in pursuance of a work contract including an advertising contract provided that the payment exceed* Rs. 20,000; and (ii) tax shall be ~~deducte~~d at source under section 194J at the rate of 10% from payment of fees for professional services or technical services provided the payment exceeds Rs. 20,000. The term "professional services" used in section 194J includes rendering of services in the course of advertising profession. The apprehensions expressed in the news* item are not well founded. As per section 194C, deduction of tax at source has to be made from contract payments while deduction of tax at source under section 194J has to be made from fees for professional services. These two provisions deal with two mutually exclusive situations and there is no question of applying both the sections *to* a given payment.

(b) No such proposal is under consideration. The provisions are proposed in order to widen and deepen the tax base and constitute an important mode of collection of taxes.

Working of Publk Sector Banks

5320. SHRI T. VENKATRAM REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have reviewed the working of public sector banks during the last, three years; and

(b) if so, the outcome thereof?

THE MINISTER Of STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) and (b) The working of die public sector